



Crowe Horwath LLP
Independent Member Crowe Horwath International

One Mid America Plaza, Suite 700
Post Office Box 3697
Oak Brook, Illinois 60522-3697
Tel 630.574.7878
Fax 630.574.1608
www.crowehorwath.com

May 18, 2015

Technical Director
Financial Accounting Standards Board
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Via email to director@fasb.org

Re: File Reference No.'s EITF-15C-1, EITF-15-C-II, and EITF-15C-III

Dear Technical Director:

We are pleased to comment on the Financial Accounting Standards Board's (FASB or Board) Proposed Accounting Standards Updates, *Plan Accounting: Defined Benefit Pension Plans (Topic 960), Defined Contribution Pension Plans (Topic 962), and Health and Welfare Benefit Plans (Topic 965): I. Fully Benefit – Responsive Investment Contracts; II. Plan Investment Disclosures; and III. Measurement Date Practical Expedient* (Exposure Draft).

We appreciate the Financial Accounting Standards Board's (Board's) efforts to reduce the cost and complexity in employee benefit plan accounting and disclosure. We believe the amendments being proposed by the Board, in all three of the Proposed Accounting Standards Updates included in the Exposure Draft, will effectively reduce financial statement preparation costs and increase the clarity and consistency of financial statement disclosures. In particular, we commend the Board for proposing amendments to eliminate fully benefit-responsive investment contracts (FBRICs) of defined contribution plans from the scope of Topic ASC 820 - *Fair Value Measurement* (Topic 820). We believe these proposed amendments will provide cost relief and result in improved transparency and consistency of measurement and disclosure, by focusing on contract value as the only relevant measurement attribute for FBRICs. We are also very supportive of the Board's proposed amendments to reduce the level of disaggregation required for plan investment disclosures, particularly with regard to the application of Topic 820 disclosure requirements, and to eliminate the requirements to disclose the change in fair value for each significant investment type and investments that represent 5% or more of net assets available for benefits. We believe these proposed amendments will provide important benefits of time and cost reduction with respect to financial statement preparation, without compromising the quality of information provided to financial statement users.

Our responses to the specific questions contained in each the three proposed Accounting Standards Updates (ASUs) included in the Exposure Draft are provided in the following attachments:

- Attachment 1 – Fully Benefit Responsive Investment Contracts (File Reference No. EITF-15C-I)
- Attachment 2 – Plan Investment Disclosures (File Reference No. EITF-15C-II)
- Attachment 3 - Measurement Date Practical Expedient (File Reference No. EITF-15C-III)

While we are unequivocal in our support of the proposed amendments in the Exposure Draft, believing them to be consistent with the objectives of the FASB's Simplification Initiative, we do have a few recommendations for the Board's consideration, primarily with respect to providing additional clarity to

Technical Director
Financial Accounting Standards Board
May 18, 2015
Page 2

certain of the proposed amendments. We have included these recommendations in our responses to Questions 1 and 2 in Attachment 1 and in our response to Question 1 in Attachment 2.

Additionally, we are appreciative of the Board's request for suggestions of additional areas where financial reporting for employee benefit plans could be improved through simplification. We have provided three such improvement suggestions for the Board's consideration in our response to Question 8 of the Proposed ASU regarding Plan Investment Disclosures in Attachment 2.

Please contact Scott G. Lehman at (630)574-1605 or scott.lehman@crowehorwath.com, or Barbara S. Lackey at (262)361-4755 or barb.lackey@crowehorwath.com should you have any questions.

Cordially,

Crowe Horwath LLP

Crowe Horwath LLP

ATTACHMENT 1

Fully Benefit-Responsive Investment Contracts (File Reference No. EITF-15C-I)

Responses to Proposal's Questions

Question 1: Should the requirements to present and disclose fully benefit-responsive investment contracts at fair value be eliminated? If not, please explain why.

Yes. We believe that the existing requirements to present fully benefit-responsive investment contracts (FBRICs) at fair value, including the associated fair value measurement disclosure requirements, result in financial information that is not useful in assessing a plan's present and future ability to pay benefits as they become due. A defined contribution plan's cash flows applicable to FBRICs, including all participant-directed transactions permitted by the plan, are based upon contract value rather than fair value. In addition, the ASC already provides for situations where FBRICs should not be recorded at contract value. The ASC Master Glossary indicates; if an event has occurred such that realization of contract value is not probable; or an event that limits the ability of the plan to execute transactions at contract value with the issuer and with participants is probable of occurring; the investment contract is not considered a FBRIC. Additionally, the disclosure requirements for FBRICs within ASC 962-325-50-3(a)(1), 50-3(d) and 50-3(e) applicable to defined contribution pension plans and within ASC 965-325-50-2(a)(1), 50-2(a) (2) and 50-2(d) and 50-2(e) for health and welfare plans provide sufficient information to financial statement users regarding circumstances that might cause a FBRIC to no longer be deemed a FBRIC such that it might not transact at contract value.

Contract value is also the relevant measurement for FBRICs with respect to the regulatory reporting requirements of the U.S. Department of Labor Form 5500, and it is the value reflected on participants' individual account statements. Accordingly, we believe the presentation of fair value measurements for FBRICs, including the related fair value disclosures, lacks relevance to plan participants and other financial statement users and can even be confusing or potentially misleading to participants and other financial statement users.

Further, we have experienced that the time and costs incurred by plan sponsors in preparing fair value measurements and related disclosures for FBRICs of defined contribution plans can be significant, and we believe the time and costs are not justifiable based upon our understanding that contract value, rather than fair value, is the relevant measurement basis for FBRICs.

While we are affirmatively responding to this question being asked by the Board, we also suggest the Board consider certain modifications to the proposed amendments for certain similar investments in order to avoid the potential for incorrect or inconsistent application by preparers and auditors of plan financial statements. Specifically, we recommend the Board add clarification in Topic 962 and Topic 965 that the proposed amendments to eliminate requirements to present and disclose FBRICs at fair value apply not only to a plan's direct interests in FBRICs, but also apply to a plan's indirect interests in FBRICs, including the following:

- beneficial interests in stable value common or collective trusts,
- participation in master trusts that invest in FBRICs or stable value funds
- units of participation in stable value pooled separate accounts.

Paragraphs 962-325-35-5 and 965-325-35-1, as currently being proposed for amendment by the Board, indicate that FBRICs are excluded from the requirement to be reported at fair value, and paragraphs 962-325-35-5 and 965-325-35-8, as currently being proposed for amendment, indicate that "contract value is the relevant measure for the portion of net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive contracts". Since one of the requirements of a FBRIC, as stated in the definition of a FBRIC in the ASC Master Glossary, is that the contract must be "effected directly between the plan and the issuer", we believe that a literal interpretation of paragraphs 962-325-35-5, 965-325-35-1 and 965-325-35-8, and the definition of a FBRIC in the ASC Master Glossary, would

result in an inappropriate conclusion that the guidance in these paragraphs is not applicable to a plan's investments in fully benefit-responsive stable value funds or a plan's interest in FBRICs and fully benefit-responsive stable value funds held in a master trust.

To provide sufficient and appropriate clarity to both preparers and users of plan financial statements that a plan's investments in fully benefit-responsive stable value funds and a plan's interest in FBRICs and fully benefit-responsive stable value funds held in a master trust are not required to be reported at fair value and that contract value is the relevant measure for the portion of a plan's net assets available for benefits held in such investments, we recommend the following changes be made to paragraphs 962-325-35-5, 965-325-35-1 and 965-325-35-5 from the wording being proposed by the Board in this proposed ASU (deletions are in strikethrough and additions are underlined):

(962-325-35-5)

Defined contribution plans, including both health and welfare and pension plans, shall report investments (including derivative contracts) at fair value except for fully benefit responsive investment contracts, ~~fully benefit-responsive pooled funds, and plan interests in master trust investments that are fully benefit-responsive investment contracts or fully benefit-responsive pooled funds.~~ Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution plan attributable to fully benefit-responsive investment contracts, fully benefit-responsive pooled funds, and plan interests in master trust investments that are fully benefit-responsive investment contracts or fully benefit-responsive pooled funds.

(965-325-35-1)

Plan investments, whether they are in the form of equity or debt securities, real estate, or other investments (excluding insurance contracts, ~~and fully benefit-responsive investment contracts, fully benefit-responsive pooled funds, and plan interests in master trust investments that are insurance contracts, fully benefit-responsive investment contracts or fully benefit-responsive pooled funds~~ [see paragraph 965-325-35-3 for special provisions on the valuation of fully benefit-responsive investment contracts]) shall be reported at their fair value less costs to sell, if significant, at the financial statement date.

(965-325-35-8)

Contract value is the relevant measure for the portion of the net assets available for benefits of a defined contribution health and welfare benefit plan attributable to fully benefit-responsive investment contracts ~~and fully benefit-responsive pooled funds, including a plan's interest in fully benefit-responsive investment contracts and fully benefit-responsive pooled funds held in a master trust.~~

Question 2: Should the disclosure requirements for fully benefit-responsive investment contracts included in paragraphs 962-325-50-3 and 965-325-50-2 be reduced to eliminate disclosures relating to fair value measurements? If not, please explain why.

Yes. We agree that the disclosure requirements for fully benefit-responsive investment contracts included in paragraphs 962-325-50-3 and 965-325-50-2 be reduced to eliminate disclosures relating to fair value measurements, as indicated in the proposed amendments. We believe that the disclosures being proposed for elimination do not provide information that is relevant to the decision making of users of defined contribution plan financial statements. The elimination of these disclosure requirements would also be appropriate for consistency with the Board's decision to eliminate the requirement to present and disclose fully benefit-responsive investment contracts at fair value.

We also recommend adding clarification within Topics 962 and 965 that the disclosure requirements included in paragraphs 962-325-50-3 and 965-325-50-2 do not apply to investments in fully benefit-responsive pooled funds, such as stable value common and collective trusts. By amending the three paragraphs as we have proposed above in our response to Question 1, we believe appropriate clarity would be provided to indicate that the disclosure requirements included in paragraphs 962-325-50-3 and 965-325-50-3 do not apply to a plan's investments in pooled investment funds that are fully benefit-responsive.

Additionally, we propose an additional paragraph be added to both Topic 962 and Topic 965 to clarify that when a defined contribution pension plan or defined contribution health and welfare plan holds an interest in investments of a master trust, and the master trust's investments include FBRICs, the disclosures required by paragraphs 962-325-50-3 and 965-325-50-2 should be provided for the FBRICs of the master trust. The paragraphs we recommend the Board add are as follows:

(962-325-50)

➤ **Master Trust Investments**

50-9 If the master trust invests in fully benefit-responsive investment contracts, the notes to the financial statements should include the disclosures required by paragraph 962-325-50-3 with respect to the fully benefit-responsive contracts held by the master trust.

(965-325-50)

➤ **Master Trust Investments**

50-7 If a defined contribution health and welfare plan holds an interest in investments of a master trust and the master trust invests in fully benefit-responsive investment contracts, the notes to the financial statements should include the disclosures required by paragraph 965-325-50-2 with respect to the fully benefit-responsive contracts held by the master trust.

Question 3: Should any other disclosures be required for fully benefit-responsive investment contracts?

No. We believe the existing disclosure requirements, as modified by the proposed amendments to eliminate the fair value measurements disclosures included in paragraphs 962-325-50-3 and 965-325-50-2, provide financial statement users with an adequate understanding of the nature and risks applicable to fully benefit-responsive investment contracts.

Question 4: Should the proposed amendments be applied retrospectively to all periods presented? If not, please explain why.

Yes. We agree that the proposed amendments should be applied retrospectively to all periods presented to provide comparability. Additionally, we believe that the time and costs associated with retrospective application would not be significant.

Question 5: How much time would be needed to implement the proposed amendments? Should early adoption be permitted?

We believe the time needed to implement the proposed amendments would not be significant, as the proposed amendments eliminate the fair value measurement requirement and associated fair value measurement disclosures for fully benefit-responsive investment contracts. We anticipate that an implementation period of several months to a year should be sufficient to allow for awareness, understanding and implementation of the proposed amendments. We fully support allowing early adoption of the proposed amendments. Permitting early adoption would provide many defined contribution plans an immediate benefit by eliminating the fair value measurement estimates and related disclosures for fully benefit-responsive investment contracts. Allowing early adoption would also more quickly reduce the diversity in practice in measuring the fair value of fully benefit-responsive investment contracts and improve the transparency of information provided to financial statement users regarding the nature and risks of investments in fully benefit-responsive investment contracts.

ATTACHMENT 2

Plan Investment Disclosures (File Reference No. EITF-15C-II)

Responses to Proposal's Questions

Question 1: Should investments be disaggregated only by general type, as required under Topics 960, 962, and 965 (that is, not by both general type and nature, characteristics, and risks)? If not, please explain why.

Yes. We believe that the additional value to users of plan financial statements of providing further disaggregation of plan investments by nature, characteristics and risk, consistent with the requirements of Topic 820 *Fair Value Measurement*, is not beneficial or useful. The reporting of investment information by plan service providers, such as plan trustees, custodians and insurance company issuers of plan investments, is typically only provided by general type. Accordingly, disaggregation by nature, characteristics and risks often requires manual preparation. Additionally, disaggregation of investments only by general type is consistent with the requirements of Schedule H of Form 5500, and a list of all plan investments (other than those obtained through self-directed brokerage accounts) is publicly available by accessing the Department of Labor's EFAST2 system to obtain a plan's schedule of assets (held at end of year) which is included with a plan's Form 5500 filing.

However, we have three recommendations for the Board's consideration. These recommendations include our suggestions for improving the clarity of the requirement to present investments *detailed by general type*, and improving the consistency in the application of this requirement.

Our first recommendation is based upon our concern that there may be differences in interpreting how to apply the investment disaggregation requirements in Topic 962 and Topic 965 to synthetic guaranteed interest contracts (GICs) held by defined contribution plans. In a synthetic GIC, a plan owns the underlying assets supporting the GIC (such as fixed income funds, corporate bonds, governmental securities, and mortgage-backed and asset-backed securities), as well as the wrap contract issued by an insurance company, bank or other financial institution that establishes a guarantee of a minimum crediting interest rate and book value (i.e. contract value) liquidity for the pool of assets covered by the wrap contract. Accordingly, because a synthetic GIC is comprised of multiple investment types, there may be differences in interpretation as to whether a synthetic GIC should be evaluated as a general type of plan investment in the aggregate or whether each of the various types of investments included as underlying assets of a synthetic GIC, as well as the wrap contract itself, should be separately evaluated when disaggregating a plan's investments by general type.

Consistent with the Board's conclusions in the proposed Accounting Standards Update, *Fully Benefit-Responsive Investment Contracts*, File Reference No. EITF-15C-I, that fully benefit-responsive investment contracts be measured, presented and disclosed only at contract value, we believe that a fully benefit-responsive synthetic GIC should be evaluated, in its entirety, as a general type of investment for which the relevant measurement basis is contract value. By defining a synthetic GIC in the aggregate as a general type of investment, then a defined contribution plan would not be required to apply the fair value measurement provisions of Topic 820 to the underlying investments of a fully benefit-responsive synthetic GIC pursuant to the Board's proposed amendments to paragraphs 962-325-50-1 and 965-325-50-1. We believe that applying the fair value measurement and disclosure requirements of Topic 820 to the underlying investments of a synthetic GIC would not provide meaningful information to users of plan financial statements. Accordingly, we also believe that applying Topic 820 fair value measurement and disclosure requirements to synthetic GICs would result in unnecessary costs of financial statement preparation.

Based upon the above, we recommend the Board add synthetic guaranteed interest contracts as an additional example of a general type of investment identified in paragraphs 962-325-45-5 and 965-325-45-2.

Our second recommendation is directly related to the recommendation discussed immediately above. Paragraph 962-325-50-6 requires a defined contribution plan to disclose in the notes to financial statements the investments of a master trust detailed by general type as of the date of each statement of net assets available for benefits. For the reasons we provided above with respect to the disclosure examples of general type of investments provided in paragraphs 962-325-45-5 and 965-325-45-2, we recommend the Board add synthetic guaranteed interest contracts as an additional example of a general type of master trust investment identified in paragraph 962-325-50-6.

Our third recommendation is for the Board to amend paragraph 960-30-45-11, as indicated below, to provide consistency with the Board's decision to require disclosure of defined benefit pension plan investments by general type in the statement of net assets available for benefits or in the notes (added text underlined):

(960-30-45-11)

> Investments in Master Trusts

45-11 Investments in master trusts are presented in a single line item in the statement of net assets available for benefits or in the notes.

Question 2: Should self-directed brokerage accounts be classified as one general type of investment? If not, please explain why.

Yes. We believe classifying self-directed brokerage account investments as one general type of investment would be appropriate. This classification method would be consistent with the regulatory reporting requirements of Form 5500, and it would eliminate the cost of further disaggregating self-directed brokerage account investments, which is often significant due to the lack of investment detail provided by applicable service providers to the plan.

Question 3: Should the requirements in Topics 960, 962, and 965 to disclose investments that represent 5 percent or more of net assets available for benefits be eliminated? If not, please explain why.

Yes. We believe the existing requirements in Topics 960, 962, and 965 to disclose investments that represent 5 percent or more of net assets available for benefits do not provide decision useful information to financial statement users. Additionally, a list of all plan investments (other than those obtained through self-directed brokerage accounts or included in a master trust) is publicly available by accessing the Department of Labor's EFAST2 ERISA Filing Acceptance System to obtain a plan's Form 5500 filing. Form 5500 requires plan investments to be listed on Schedule H, line 4i – Schedule of Assets (Held at End of Year). As a result of the audit requirements of Form 5500, the Schedule of Assets (Held at End of Year) is also presented as a supplemental schedule to a plan's audited financial statements which are part of the Form 5500 filing.

Question 4: If an investment is measured using the net asset value per share (or its equivalent) practical expedient in paragraph 820-10-35-59 and that investment is in a fund that files a Form 5500 as a direct filing entity, should the disclosure of that investment's significant investment strategies be required? If so, please explain why.

No. We believe the costs of requiring a plan to disclose the significant investment strategies of an investment measured using net asset value per share (or its equivalent) as a practical expedient is unnecessary as the financial statement users are able to determine the composition of underlying investments of the fund by accessing the Form 5500 supplemental schedule of the fund when it is a direct filing entity.

Question 5: Should the requirements in Topics 960, 962, and 965 to disclose the net appreciation or depreciation for investments by general type be eliminated? If not, please explain why.

Yes. We agree with the Board that the requirements in Topics 960, 962, and 965 to disclose net appreciation or depreciation for investments by general type be eliminated, as we believe the requirements do not provide decision-useful information to financial statement users, and, accordingly, we believe it would be appropriate to avoid the costs of preparing and auditing such disclosures.

Question 6: Should the proposed amendments be applied retrospectively? If not, please explain why.

Yes. We agree that the proposed amendments should be applied retrospectively to all periods presented to provide comparability. Additionally, we believe that the time and costs associated with retrospective application would not be significant, since preparers would generally only be removing various disclosures previously presented.

Question 7: How much time would be needed to implement the proposed amendments? Should early adoption be permitted?

We believe the time needed to implement the proposed amendments would not be significant, as the proposed amendments generally eliminate previously presented disclosures. We anticipate that an implementation period of several months to a year should be sufficient to allow for awareness, understanding and implementation of the proposed amendments. We fully support allowing early adoption of the proposed amendments. Permitting early adoption would provide many employee benefit plans the opportunity to recognize immediate financial statement preparation cost reductions with respect to the disclosure simplifications provided by the proposed amendments.

Question 8: Are there any other improvements applicable to employee benefit plan accounting that should be considered for purposes of further simplifying financial reporting for employee benefit plans (for example, are there other disclosures that should be eliminated, amended, or added)?

Yes. We offer the following suggestions for further simplifying financial reporting for employee benefit plans for consideration by the Board.

With respect to master trust investment disclosures, we propose elimination of the disclosure requirements contained in paragraphs 962-325-50-7 and 960-30-50-2 to provide the net change in the fair value of each significant type of investment. Elimination of these disclosure requirements for master trust investments would provide consistency with the Board's decision to eliminate the requirement to disclose the net change in fair value of each significant type of plan investment as referenced in Question 5. We believe the master trust disclosure requirements contained in paragraphs 962-325-50-7 and 960-30-50-2 do not provide decision-useful information to financial statement users and should be eliminated in order to reduce the time and costs associated with the preparation of the disclosures. Accordingly, we propose the following modifications to these paragraphs (deleted text in strikethrough):

(962-325-50-7)

~~50-7~~ The ~~net change in the fair value of each significant type of investment of the master trust~~ and total investment income of the master trust by type, for example, interest, and dividends, shall also be disclosed in the notes for each period for which a statement of changes in net assets available for benefits is presented.

(960-30-50-2)

~~50-2~~ The ~~net change in the fair value of each significant type of investment of the master trust~~ and total investment income of the master trust by type, including interest, dividends, and so forth, shall also be disclosed in the notes for each period for which a statement of changes in net assets available for benefits is presented.

Presently, Topic 965 does not contain disclosure requirements applicable to master trust investments. Accordingly, we recommend that master trust investments disclosure requirements be added to Topic 965, in order to provide consistency with the master trust investments disclosure requirements contained in Topics 962 and 960. Similar to our recommendation immediately above, we propose that the master

trust disclosure requirements in Topic 965 exclude a requirement to report the net change in the fair value of each significant type of investment of the master trust.

The wording below presents our recommendation for the additional master trust investments disclosure requirements to be added to Topic 965. The proposed paragraph 965-325-50-7 (in shaded text below) reflects the same disclosure requirement we proposed in our response to Question 1 in Attachment 1. The proposed wording presented below also includes reference to synthetic guaranteed interest contracts (in shaded text) as a general type of investment, for consistency with the recommendation we provided in our response to Question 1 in this Attachment 2. (All added text is underlined.)

(965-325-50)

> Master Trust Investments

50-4 In the notes to financial statements the investments of a master trust shall be detailed by general type, such as the following, as of the date of each statement of net assets available for benefits presented:

- a. Government securities
- b. Short-term securities
- c. Corporate bonds
- d. Common stocks
- e. Mortgages
- f. Real estate
- g. Synthetic guaranteed interest contracts (defined contribution plans)

50-5 The total investment income of the master trust by type, for example, interest, and dividends, shall also be disclosed in the notes for each period for which a statement of changes in net assets available for benefits is presented.

50-6 The notes to financial statements shall also include both of the following:

a. Description of the basis used to allocate all of the following:

1. Net assets
2. Net investment income
3. Gains and losses to participating plans.

b. The plan's percentage interest in the master trust as of the date of each statement of net assets available for benefits presented.

50-7 If a defined contribution health and welfare plan holds an interest in investments of a master trust and the master trust invests in fully benefit-responsive investment contracts, the notes to the financial statements should include the disclosures required by paragraph 962-325-50-3 with respect to the fully benefit-responsive contracts held by the master trust.

In addition, we believe that certain disclosure requirements included in paragraph 965-205-50-1(c) (as shaded below) applicable to postretirement benefits provided by health and welfare plans often times are challenging for financial statement preparers to complete due to their complexity and difficulty in

obtaining the necessary information. This results in overly burdensome costs of preparation in comparison to the value of the information provided to financial statement users. Accordingly, we suggest that the Board consider whether possible improvements can be made in this disclosure as part of the simplification process.

(965-205-50-1(c))

c. The funding policy and any changes in the policy made during the plan year. If the benefit obligations exceed the net assets of the plan, the method of funding this deficit, as provided for in the plan agreement or collective bargaining agreement, also shall be disclosed. If significant plan administration or related costs are being borne by the employer, that fact shall be disclosed. For a contributory plan, the disclosure shall state the method of determining participants' contributions. For each year for which a year-end statement of net assets available for benefits is presented, the plan shall disclose a description of the portion of the plan's estimated cost of providing postretirement benefits funded by retiree contributions. The plan's estimated cost of postretirement benefits is the plan's expected claims cost for the year. It excludes benefit costs paid by Medicare and costs, such as deductibles and copayments, paid directly to the medical provider by participants. The portion of the plan's estimated cost that is funded by retiree contributions is determined at the beginning of the year based on the plan sponsor's cost-sharing policy. In determining that amount, the retirees' required contribution for the year shall be reduced by any amounts intended to recover a shortfall (or increased by amounts intended to compensate for an overcharge) in attaining the desired cost-sharing in prior year(s). If the plan terms provide that a shortfall in attaining the intended cost sharing in the prior year(s) is to be recovered by increasing the retiree contribution in the current year that incremental contribution shall be separately disclosed. Similarly, if the plan terms provide that participant contributions in the current year are to be reduced by the amount by which participant contributions in the prior year exceeded the amount needed to attain the desired cost-sharing, the resulting reduction in the current year contribution shall be separately disclosed. The information about retiree contributions shall be provided for each significant group of retired participants to the extent their contributions differ.

ATTACHMENT 3

Measurement Date Practical Expedient (File Reference No. EITF-15C-III)

Responses to Proposal's Questions

Question 1: Should employee benefit plans be allowed to apply a measurement date practical expedient to measure investments and investment-related accounts using the month-end that is closest to the plan's fiscal year-end when the fiscal period does not coincide with a month-end? If not, please explain why.

Yes. We believe employee benefit plans should be allowed to apply a measurement date practical expedient to measure investments and investment-related accounts using the month-end that is closest to the plan's fiscal year-end when the fiscal period does not coincide with a month end. We believe these amendments are important with respect to reducing financial statement preparation costs for certain plans and creating consistency in measurement date requirements for investments and investment-related accounts between plan sponsors and plans.

Question 2: Should plans only disclose (rather than recognize) contributions, distributions, and significant events that occur between the alternative measurement date and the plan's fiscal year-end? If not, please explain why.

Yes. We agree that that plans only be required to disclose, not recognize, contributions, distributions and subsequent events that occur between the alternative measurement date and the plan's fiscal year-end.

Question 3: Should any other disclosures be required for plans that elect the practical expedient?

No. We do not believe any other disclosures should be required for plans that elect the practical expedient.

Question 4: Should the proposed amendments be applied prospectively? If not, please explain why, and what transition method you would propose.

Yes. We believe that prospective application of the proposed amendments would be the most practical and cost effective transition method, and it is consistent with the transition method applicable to plan sponsors in ASU No. 2015-04.

Question 5: How much time would be needed to implement the proposed amendments? Should early adoption be permitted?

We believe the time needed to implement the proposed amendments would not be in excess of several months, and we encourage the Board to allow early adoption of the proposed amendments.